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Effectiveness of the functioning of the Unit for Landlocked Developing Countries and Small Island Developing States

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Secretary-General of the United Nations Conference on Trade and Development pursuant to paragraph 103 of resolution 54/249 of 23 December 1999.

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Report of the Secretary-General of the United Nations Conference on Trade and Development on the effectiveness of the functioning of the Unit for Landlocked Developing Countries and Small Island Developing States

I. Introduction

1. In its resolution 54/199 of 22 December 1999, the General Assembly noted with appreciation the contribution of the United Nations Conference on Trade and Development (UNCTAD) to formulating international policies and measures dealing with the special problems of landlocked developing countries, and urged the Conference, inter alia, to keep under constant review the evolution of transit transport infrastructure facilities, institutions and services, monitor the implementation of agreed measures, promote regional and subregional cooperation, build up consensus on cooperative arrangements, mobilize international support measures and serve as a focal point for cross-regional issues of landlocked developing countries.

2. In its resolution 54/224 of 22 December 1999, on the implementation of the outcome of the Global Conference on the Sustainable Development of Small Island Developing States, held in Bridgetown from 25 April to 6 May 1994,[1] the General Assembly called upon UNCTAD to give substantive consideration in its work to the Declaration and review document adopted at the twenty-second special session of the Assembly (see resolution S-22/2, annex). In paragraph 35 of the Declaration, the Assembly urged UNCTAD to pursue its ongoing comprehensive examination of the impact of globalization and trade liberalization on the economies of small island developing States.

3. In its resolution 55/181 of 20 December 2000, the General Assembly invited the Secretary-General of UNCTAD and the Governments concerned, in cooperation with the United Nations Development Programme, relevant regional commissions and regional and international organizations and in accordance with approved programme priorities and within existing financial resources, to continue to elaborate a programme for improving the efficiency of the current transit environment in the newly independent and developing landlocked States in Central Asia and their transit neighbours; and invited UNCTAD, in close cooperation with the regional commissions within their respective mandates and current resources, as well as with other relevant international organizations, to provide technical assistance and advisory services to the newly independent landlocked States in Central Asia and their transit developing neighbours, taking into account the relevant transit transport agreements.

4. In paragraph 161 of the Bangkok Plan of Action, adopted by UNCTAD at its tenth session, the Conference recalled that, in addition to the least developed countries, the Office of the Special Coordinator addressed the needs of landlocked, transit and small island developing countries and was called upon to facilitate the implementation of the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community[1] endorsed by the General Assembly in its resolution 50/97 of 20 December 1995.

5. In its resolution 54/199, the General Assembly invited the Secretary-General of the United Nations, in consultation with the Secretary-General of UNCTAD, to take appropriate measures for the effective implementation of the activities called for in the resolution and to provide, in accordance with resolution 52/183 of 18 December 1997, the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries of UNCTAD with adequate resources so as to allow it to implement effectively its mandate to continue to support landlocked developing countries.

6. In paragraph 103 of its resolution 54/249, the General Assembly decided to re-establish the unit for landlocked developing countries and small island developing States within the Office of the Special Coordinator, and to establish one P-5, two P-4, one P-3 and three General Service posts related thereto, and requested the Secretary-General to report on the effectiveness of the functioning of the unit before the end of the biennium 2000-2001. The present report is submitted pursuant to that request.

7. The necessary action was taken to fill the posts in the Unit for Landlocked Developing Countries and Small Island Developing States following its re-establishment. All posts of the Unit are encumbered and the Unit is functioning effectively with the range of activities described in paragraphs 8-23 below.

II. Activities taken by the Unit for Landlocked Developing Countries and Small Island Developing States

8. Following the decision by the General Assembly to re-establish the Unit for Landlocked Developing Countries and Small Island Developing States, the activities of the Office of the Special Coordinator related to the particular needs and problems of 30 landlocked developing countries and 44 small island developing States have expanded and intensified with a view to improving the participation and accelerated integration of the two groups of countries into the global economy through internationally agreed support measures and special recognition on grounds of vulnerability.

9. During the current biennium, as a focal point within the United Nations system for activities in favour of landlocked developing countries, the Office of the Special Coordinator continued to formulate, monitor and implement specific actions related to the particular needs and problems of landlocked developing countries. It also continued to formulate and implement technical cooperation projects aimed at increasing the efficiency of external trade transactions in close cooperation with United Nations entities, regional commissions and other relevant international and professional organizations.

10. The Office of the Special Coordinator continued to review the evolution of transit transport infrastructure facilities, institutions and services and monitored the implementation of agreed measures. In that context, the Office prepared the report of the UNCTAD secretariat on recent developments in transit transport systems of landlocked and transit developing countries to be submitted to the Fifth Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of the Donor Countries and Financial and Development Institutions, to be held in New York from 30 July to 3 August 2001. It has also commissioned four case studies on recent developments of transit transport systems in South-East Asia, South Asia, Latin America and southern and eastern Africa, as well as a study entitled "Infrastructure development in landlocked and transit developing countries: foreign aid, private investment and the transport cost burden on landlocked developing countries". Those studies will also be submitted to the Fifth Meeting of Governmental Experts.

11. The Office of the Special Coordinator has ensured organizational and substantive preparations for the Fifth Meeting of Governmental Experts, including mobilizing extrabudgetary resources to finance the participation of experts from landlocked and transit developing countries.

12. The Office of the Special Coordinator continued to assist the landlocked and transit developing countries in their efforts to improve further the legal framework governing transit transport operations. It has been promoting subregional transit traffic framework agreements, which can be effective tools for transit transport facilitation. In particular, since 2000, the Office has been assisting the Governments of China, Mongolia and the Russian Federation in negotiating a draft transit traffic framework agreement. It provided substantive and organizational support to the first and second negotiating sessions on the above draft agreement, held in May 2000 in Ulaanbaatar and in January 2001 in Tianjin, China, respectively. A third meeting is scheduled to take place in September 2001 in Irkutsk, Russian Federation.

13. The Office of the Special Coordinator has been active in assisting the newly independent landlocked States and their transit developing neighbours in assessing and formulating policies and actions aimed at developing the transit environment in Central Asia. In 2000, it prepared the report of the UNCTAD secretariat on the transit environment in the landlocked States of Central Asia and their transit developing neighbours for submission to the General Assembly at its fifty-fifth session (A/53/331, annex).

14. The Office of the Special Coordinator has further promoted subregional cooperative arrangements in the area of transit transport and provided support at the country and subregional levels. This enabled the Office to establish the necessary links between global and subregional meetings dealing with the particular needs of landlocked developing countries. In particular, pursuant to General Assembly resolution 54/199 and at the request of the Government of the Lao People's Democratic Republic, the UNCTAD secretariat in December 2000 organized the first consultative meeting on transit transport systems of the Lao People's Democratic Republic. The meeting was attended by senior officials from its transit neighbours, namely, Cambodia, China, Myanmar, Thailand and Viet Nam, and representatives of donor countries and relevant international organizations. The meeting

adopted the Vientiane Plan of Action, which contains specific and action-oriented measures designed to improve both physical and non-physical aspects of the transit transport systems of South-East Asia. The report of the above consultative meeting, together with the Vientiane Plan of Action, will be submitted to the Fifth Meeting of Governmental Experts and subsequently to the General Assembly at its fifty-sixth session. The implementation of the Vientiane Plan of Action will be reviewed at the second consultative meeting during the first quarter of 2003.

15. The Office of the Special Coordinator has also provided assistance to the United Republic of Tanzania and Zambia in their efforts to establish a road traffic information system, which is an important element of the programme of the Southern African Development Community to improve transport and transit systems in southern Africa.

16. The Office of the Special Coordinator has been active in assisting the landlocked developing countries in their efforts to participate effectively in intergovernmental deliberations within the United Nations, including by providing assistance, upon request, to strengthen the negotiating capabilities of landlocked developing countries vis-à-vis their transit neighbours. In particular, in 2000, the Office provided substantive assistance to the group of landlocked developing countries in organizing the First Ministerial Meeting of Landlocked Developing Countries, which adopted a ministerial communiqué. It also provided substantive support to the landlocked least developed countries in preparing their national programmes of action for the decade 2001-2010, which were submitted to the Third United Nations Conference on the Least Developed Countries held in Brussels from 14 to 20 May 2001.

17. During the current biennium, the Office of the Special Coordinator has also intensified its support to the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States[2] of the Global Conference on the Sustainable Development of Small Island Developing States, with a view to increasing the chances of small island developing States to find new economic opportunities in the global economy and avoid their further marginalization.

18. The Office of the Special Coordinator continued to provide analytical work on the economic vulnerability of small island developing States. It has contributed to the work of the Committee for Development Policy related to vulnerability indicators and graduation of small island least developed countries from the list of least developed countries. In the context of the latest triennial review of the list of least developed countries in 2000, the Office provided the Committee with vulnerability profiles of four small island developing States, Cape Verde, Maldives, Samoa and Vanuatu, that have been near graduation thresholds. Those profiles have cast light on aspects of the vulnerability of States that are not measurable through the standard indicators used for determining the list of least developed countries.

19. The Office of the Special Coordinator has also intensified its support to small island developing States in their efforts to reduce their structural economic handicaps resulting from smallness and remoteness through action to increase economic efficiency and competitiveness. This has involved technical assistance in the areas of trade information and electronic commerce, customs and maritime transport efficiency and services used as inputs to competitive exports.

20. The Office of the Special Coordinator has also assisted small island developing States in their efforts to improve economic specialization in view of globalization forces, either to increase the competitiveness of existing activities or to induce re-specialization by seizing new trading opportunities. This has involved providing policy advice on new trading opportunities and investment and research and technical assistance on economic sectors of particular interest to small island developing States, such as those relevant to the biodiversity and industries based on traditional knowledge and to international services. In the latter area, particular attention has been given to tourism, health services, offshore financial services and services related to the music industry.

21. In the context of its advocacy of a positive agenda for developing countries in the multilateral trade system, UNCTAD has been helping small island developing States that are members of the World Trade Organization (WTO) to derive greater economic opportunities from that system (preparations for negotiations). Small island developing States that are not members of WTO were assisted either to prepare for accession or to understand better what net benefits they might gain from joining the Organization. In accordance with paragraph 133 of the Bangkok Plan of

Action, UNCTAD has been assisting small island developing States in their preparations for the WTO negotiations on agriculture.

22. In the context of the preparations for the Third United Nations Conference on Least Developed Countries, the Office of the Special Coordinator assisted the 10 least developed small island developing States in the preparation of their national programmes of action for the decade 2001-2010. Special attention was also given to small island developing States at the high-level meeting on tourism in the least developed countries, held in the Canary Islands, Spain, from 26 to 29 March 2001, which was organized jointly by UNCTAD and the World Tourism Organization as part of the preparation for the Third United Nations Conference. In that context, UNCTAD brought to the attention of the international community the fact that the single most important factor explaining the progress demonstrated by the four small island least developed countries that are potential graduation cases is tourism and its catalytic development impact.

23. In addition to the above activities, the Office of the Special Coordinator has backstopped or implemented a range of technical cooperation activities in several small island developing States. This has included, inter alia, policy advice on the competitiveness of the manufacturing sector, and training on offshore financial services regulation in one Caribbean country; trade policy advice to small island developing States in the Caribbean and the Pacific; investment policy advice to such States in the Indian Ocean and the Pacific; and support to Pacific States in the formulation of a model law on intellectual property rights related to biodiversity.

III. Future role of the Unit for Landlocked Developing Countries and Small Island Developing States

24. Following the adoption of General Assembly resolution 54/249, the mandate of the Office of the Special Coordinator to support landlocked developing countries and small island developing States was reiterated and expanded. The UNCTAD secretariat, in particular the Office of the Special Coordinator, will continue to implement its mandate in an effective manner to assist the two groups of countries.

25. The Bangkok Plan of Action provided an additional mandate to the Office of the Special Coordinator to monitor and facilitate implementation of the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community. The Office is also expected to ensure organizational and substantive preparations for the proposed international ministerial meeting on transit transport cooperation to be held in 2003 in Kazakhstan. In its resolution 55/202 of 20 December 2000, the General Assembly invited UNCTAD, within its mandate, to reflect measures for the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States in its programme, and to assist small island developing States in their efforts to enhance their capacities to effectively utilize the benefits and mitigate the negative implications of globalization. The Office of the Special Coordinator will therefore intensify its work along those lines, with particular reference to monitoring and analysing the vulnerability of small island developing States and enabling the Committee for Development Policy and the Economic and Social Council to make sound recommendations regarding the graduation of small island least developed countries from the list of least developed countries. The Office has been also requested to prepare a vulnerability report on small island developing States as a group. Those expanding mandates related to landlocked developing countries and small island developing States will have an impact on the future workload and resource situation of the Unit for Landlocked Developing Countries and Small Island Developing States.

26. The Secretary-General has included in his proposed programme budget for the biennium 2002-2003 for UNCTAD a proposal to redeploy one P-4 post to the Office of the Special Coordinator in order to enable it to address more effectively the concerns of landlocked and transit developing countries.

Notes

[1] Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994 (United Nations publication, Sales No. E.94.I.18 and corrigenda).

[2] Ibid., chap. I, resolution 1, annex II.